

County Commissioner's Record No. 31

State of Illinois)
 SS December 28st, 2018
County of Union)

I. Call Meeting to Order

The Union County Board of Commissioners met for a regular meeting in the Union County Courthouse Community Room at 08:30am. County Chairman Max Miller called the meeting to order.

II. Roll Call

Kent Pitts, Bobby Toler Jr., Max Miller and David Gould were all present with Dale Foster absent.

III. Approval of Minutes

Minute from the 12/14/18 meeting were presented for approval. Mr. Gould made a motion to approve minutes from 12/14/18 and Mr. Pitts seconded the motion.

Kent Pitts	Yes
Bobby Toler Jr.	Yes
Dale Foster	Absent
Max Miller	Yes
David Gould	Yes
Motion Passed	

IV. Building Permits
None

V. County Finances
None

VI. Old Business
None

VII. New Business
A. Approve Payment of Bills

Mr. Pitts made a motion to approve payment of all the bills and Mr. Gould seconded the motion.

Kent Pitts	Yes
Bobby Toler Jr.	Yes
Dale Foster	Absent
Max Miller	Yes
David Gould	Yes

Motion Passed

B. 2017 Union County Audit Presentation by Sikich Accounting Firm
Ms. Megan Cochran and Mr. Chad Lucas from the Sikich Accounting firm presented the 2017 Audit for the County of Union. Ms. Cochran went over each page with a brief outline of the report. Ms. Cochran presented the findings as listed below.

We have reviewed the FY2017 audit of Union County Government conducted by SIKICH. Attached is the corrective action plan for each finding.

2017-001 Internal Controls over Financial Reporting

Criteria:

The County is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP).

Condition

The County's internal controls over GAAP financial reporting should include adequately trained personnel with knowledge and experience to prepare and/or thoroughly review GAAP based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Government Accounting Standards Board (GASB). During the audit, material adjustments were recommended to correct accounts receivables, accounts payable, prepaid expenses, and governmental debt and capital asset activity.

Cause and Effect

During the audit, material adjustments were recommended to correct accounts receivables, accounts payable, prepaid expenses, and governmental debt and capital asset activity based upon audit procedures performed in the County's year-end reporting process.

Auditor Recommendation

We recommend the County improve controls to ensure all transactions are properly accounted for in accordance with generally accepted accounting principles.

Management Response

The County acknowledges the need for further control and review of year end reporting. The County Administrator will review each recommended adjusting journal entry and begin to implement year-end review procedures with the assistance of the County Treasurer to identify these entries prior to the start of the County Audit.

2017-002 Lack of Completed Personnel Records

Criteria

The County should maintain complete personnel files documenting the employee's hire date, pay rate, insurance, IMRF, and other benefit election forms, and current employee contact information in a central location for all current employees.

Condition

During the audit, we noted instances where completed personnel files were not maintained for employees or the files were not maintained in a central location.

Cause and Effect

Due to the size of the County and the limited staffing available, the various departments have been responsible for maintaining personnel files for their employees. Not having a central location to maintain personnel files with all required documents could cause errors in withholdings, insurance benefits, or retirement benefits.

Auditor Recommendation

We recommend the County maintain all personnel files in a central, secure location and perform an audit of the personnel files to make sure that all personnel files have the required information for all current employees of the County.

Management Response

The County will request all elected officials/department heads to turn over a copy of all personnel files for active employees within their respective departments to the Human Resource Director. The Human Resource Director will review each file for compliance and request any missing forms or information from active employees.

2017-003 Lack of Segregation of Duties

Criteria

The County should implement procedures regarding segregation of duties to prevent employees from having access to financial records and/or assets of the County which could allow employees to perpetrate fraud for their personal financial benefit. A proper segregation of duties is an integral part of an internal control system to safeguard an organization's assets.

Condition

During the audit, we noted instances where employees have access to financial records and/or assets of the County. We noted individuals within the Sheriff's Department and the Circuit Clerk's Office with the ability to collect receipts, make deposits, perform reconciliations, are authorized signers of the accounts and are responsible for distributing the checks.

Cause and Effect

Due to the size of the County and the limited staffing available, there was a lack of segregation of duties within the Sheriff's Department and the Circuit Clerk's Office. Errors may occur and go undetected and it increases the risk of fraud.

Auditor Recommendation

We recommend the County evaluate the procedures performed within those departments to determine if the procedures could be divided among other employees or if transactions can be reviewed and approved by a second individual not responsible for collecting or disbursing funds.

Management Response

The County will request to meet with the Sheriff and Circuit Clerk to evaluate their cash handling processes and suggest recommendations to assist with segregation of duties.

2017-004 Inadequate Bank Reconciliation Procedures

Criteria

The County should perform monthly bank reconciliations for all cash accounts of the County.

Condition

During the audit, we noted bank reconciliations were not being performed for accounts maintained in the County Clerk's Office that is not included in the accounting software. We also noted bank reconciliations performed for various accounts that did not agree to the cash balance reported in the accounting software.

Cause and Effect

Due to the decentralization of the bank accounts in the various County departments, errors may go undetected or may not be recognized and resolved on a timely basis. The lack of reconciliations could cause fraudulent activity to go undetected or cash accounts to be materially misstated.

Auditor Recommendation

We recommend the County perform bank reconciliations for all cash accounts and agree to the cash balance maintained in the accounting software or to the records maintained in the various departments.

Management Response

The County will request that the County Clerk begin reconciling all bank accounts held outside the Treasurer's office on a monthly basis and provide such reconciliations to the Treasurer for review. The County will also request copies of the monthly reconciliations from the Sheriff & Circuit Clerk for the bank accounts that are not in the custody of the Treasurer for review.

2017-005 Inadequate Controls over Fines and Fees Assessed by the Court

Criteria

The Clerk of the Circuit Clerk of Union County should ensure all fines and fees are properly assessed in accordance with the Illinois Compiled Statutes.

Condition

During the audit, we noted that certain fines and fees were not properly assessed by the Circuit Court in accordance with the Illinois Compiled Statutes.

Cause and Effect

Due to judicial orders issued and oversight of the numerous fines and fee requirements, the fines and fees may not be properly assessed and therefore, would not be distributed to the appropriate entities as directed by the Statutes.

Auditor Recommendation

We recommend the County implement a review process to determine that all fines and fees are assessed in accordance with the Illinois Compiled Statutes.

Management Response

The County will request to meet with the Circuit Clerk and State's Attorney to develop a review process of all fines and fees. The County will also suggest that all fines and fees are reviewed periodically throughout the year to ensure they are being assessed properly.

2017-006 Noncompliance with Debt Covenants

Criteria

The General Obligation Alternate Revenue Source Taxable Recovery Zone Economic Development Bonds, Series 2010A and the General Obligation Alternate Revenue Source Build America Bonds, Series 2010B general covenants require that an audit by an independent certified public accountant be performed within 180 days following the close of each fiscal year. The General Obligation Refunding Limited Bonds, Series 2014 requires that an audit by an independent certified public accountant be performed within 210 days of the close of the fiscal year.

Condition

During the audit, we noted that an audit was not started within the 180 and 210 days after the close of the fiscal year end.

Cause and Effect

Due to the noncompliance with the bond covenants, the bonds could be called before their due dates and the full amounts of the bonds may be owed by the County before the established payment schedule.

Auditor Recommendation

We recommend the County establish an audit within the required time frame of the bond ordinances.

Management Response

In late 2017 the County made numerous attempts to contact their former auditing firm in an effort to receive the completed FY2016 audit but was unable to reach them. In January 2018, the County terminated the relationship with the County's former auditor due to non-compliance with the engagement letter. In April 2018, the County entered into an agreement with SIKICH to perform the County's audit for FY2017 and the Circuit Clerk's audits for FY2015, FY2016 & FY2017. This did not allow enough time for all audits to be completed within the time constraints set forth in the covenants. The County will request that SIKICH start the audit this year in January or February to ensure the audit is completed according to the terms of the bond covenants.

2017-007 Inadequate Time and Attendance Reporting

Criteria

The County should maintain complete time and attendance records to properly calculate and report payroll in accordance with all federal, state, and pension requirements.

Condition

During the audit, we noted that each County office maintains their own process for tracking time and attendance records for payroll reporting, but only provides summary information for the pay period to the Human Resources Office for the calculation of payroll.

Cause and Effect

Due to the size of the County and the limited staffing available, each Office tracks their own employees' hours. Only providing summary information to calculate the payroll for each employee could cause errors in the determination of overtime hours and the required reporting for federal, state, and pension records.

Auditor Recommendation

We recommend the County establish a process to provide detailed records regarding the employees' hours worked for the pay period from the various County offices to the Human Resources Office for proper payroll calculation and reporting.

Management Response

The County plans to implement time clocks during FY2019. However, until this change occurs, the Human Resource director will reach out to each office holder/department head and request the detailed records of hours worked for each pay period. The Human Resource Director will also continue to request paid time off records (separated by category; sick, vacation and personal) from the Circuit Clerk. All other departments are now submitting detailed paid time off records with their bi-weekly payroll for proper tracking.

C. 2015 and 2016 Union County Circuit Clerk Audit by Sikich Accounting Firm

Ms. Megan Cochran and Mr. Chad Lucas from the Sikich Accounting firm presented the 2015, 2016 & 2017 Audit for the Union County Circuit Clerk. Ms. Cochran went over each page with a brief outline of the report. Ms. Cochran presented the findings as listed below.

Material Weakness:

2015-001 The Circuit Clerk does not prepare a year-end trial balance as underlying support for the required financial statements. And while the Circuit Clerk prepares a monthly bank reconciliation to determine the cash balance at month end, two different outstanding check listings are used. The outstanding check listings are maintained in two separate accounting systems and are not reconciled to each other. The Circuit Clerk should prepare a year-end trial balance in a format recommended by the Administrative Office of the Illinois Courts. The Circuit Clerk should also perform a monthly bank reconciliation using a complete listing of outstanding checks to determine the proper cash balance at the end of each month.

Auditee Response:

One account, "A" fund, was previously used in the office, but a new fund was implemented in 2011 by the previous Circuit Clerk. The previous Circuit Clerk originated the "U" fund, which is our present accounting system. The present Circuit Clerk is taking measures to finalize any and all outstanding checks in the "A" fund. This is a goal for the office to eventually make the "A" fund obsolete, and to only reconcile one accounting system.

2015-002 A lack of segregation of duties is common among local governments. However, it does increase the risk that errors may occur and go undetected and it increases the risk of fraud. Fraud could occur where employees have access to financial records and/or assets of the Circuit Clerk and could perpetrate fraud for their personal financial benefit. During our audit we noted instances where employees have access to financial records and/or assets of the Circuit Clerk. Specifically, we noted a lack of segregation of duties over cash receipts and disbursements. We noted that the same individual can collect and record receipts, reconcile receipts, make deposits, prepare checks, sign checks, and mail checks. Control over receipts disbursements would be improved if other individuals were responsible for making deposits, signing checks, and mailing checks.

Preliminary and Tentative

Auditee Response:

Currently, there are three other employees with the knowledge to process the daily reconciliation for the office. The Circuit Clerk does not always assign the duties to the same person to process the daily reconciliations and/or take the daily deposit to the bank. The present Circuit Clerk is taking measures to implement more cross training and additional job duties, providing the office can maintain present staff levels. Significant Deficiency: 2015-003 Due to judicial order and oversight of the numerous fines and fee requirements, the Circuit Clerk's office incorrectly assessed certain fines and fees required by the Illinois Compiled Statutes. Additionally, certain fines and fees were incorrectly omitted from all cases during the fiscal year. The Clerk of the Circuit Court of Union County should ensure all fines and fees are

properly assessed in accordance with the Illinois Compiled Statutes and deposited into the correct account.

Auditee Response:

The present Circuit Clerk is working in conjunction with the State's Attorney to ensure that a Supplemental Sentencing Order, which is signed by the defendant and Judge, is in all cases related to fines and fees to assist in eliminating errors and omissions. Findings Relating to Noncompliance with the Circuit Clerk Audit Guidelines 2015-004 The outstanding bond report as of November 30, 2015 includes bonds held for various cases that are indicated as closed. These bonds should be reclassified to other cases or refunded if the case is no longer active. We recommend that the Circuit Clerk's Office review the cases with unclaimed bail bond deposits and follow the process per 725 ILCS 5/110-17 for proper disposition of these deposits.

Auditee Response:

These bonds are waiting on Judicial instruction and approval before proceeding. Sufficient staff is necessary for timely research and processing. The present Circuit Clerk is taking measures to process and reduce outstanding bonds, providing the Circuit Clerk can maintain present staffing levels.

Ms. Cochran then explained that the findings are all the same for all three years of the audit. (2015, 2016 & 2017)

Mr. Miller stated that he appreciated a thorough report and the county should be on schedule for the next audit to be done on time.

Mr. Gould asked if the Sikich firm handles a lot of municipal audits, Ms. Cochran did advise that they do and a lot of the findings are the same throughout with municipalities.

D. Resolution Appointing A Member of the Southern Five Regional Planning District and Development Commission – Shari Sweeney-Sadowski

Mr. Miller first thanked Mrs. Sweeney-Sadowski for her previous work with the Southern Five and her interest in continuing serving. Mr. Miller made the motion and Mr. Pitts seconded the motion for approval of the resolution.

Kent Pitts	Yes
Bobby Toler Jr.	Yes
Dale Foster	Absent
Max Miller	Yes
David Gould	Yes
Motion Passed	

E. Resolution Appointing a Member to the Shawnee Development Council – Bobby Toler Jr. Mr. Miller made the motion to approve the resolution and Mr. Pitts seconded the motion.

Kent Pitts	Yes
Bobby Toler Jr.	Abstain

Dale Foster **Absent**
Max Miller **Yes**
David Gould **Yes**
Motion Passed

F. Approval of Resolutions for the Sale of Delinquent Property Held by the County Trustee.

Resolution 14-00-07-789 (790) **Juan Garcia**
Mr. Toler made a motion to approve the resolution for the sale of delinquent property, Mr. Pitts seconded the motion.

Kent Pitts **Yes**
Bobby Toler Jr. **Yes**
Dale Foster **Absent**
Max Miller **Yes**
David Gould **Yes**
Motion Passed

Resolution 14-00-08-735 **Evan Betts**
Mr. Gould made a motion to approve the resolution for the sale of delinquent property, Mr. Pitts seconded the motion.

Kent Pitts **Yes**
Bobby Toler Jr. **Yes**
Dale Foster **Absent**
Max Miller **Yes**
David Gould **Yes**
Motion Passed

Resolution 14-00-01-605 **Ronald Fisher**
Mr. Pitts made a motion to approve the resolution for the sale of delinquent property, Mr. Toler seconded the motion.

Kent Pitts **Yes**
Bobby Toler Jr. **Yes**
Dale Foster **Absent**
Max Miller **Yes**
David Gould **Yes**
Motion Passed

Resolution 45-314-A- **Christine and Mitchel Tellor**
Mr. Pitts made a motion to approve the resolution for the sale of delinquent property, Mr. Gould seconded the motion.

Kent Pitts **Yes**

Bobby Toler Jr.	Yes
Dale Foster	Absent
Max Miller	Yes
David Gould	Yes
Motion Passed	

Chairman Miller moved to take a 5-10 minute break before getting to the next item. Time was 9:25am.

The meeting reconvened at 9:32am.

Mr. Gould had to leave at 9:30am and did not return to the meeting.

G. Platinum Elections – Jay Bennett III.

Mr. Bennett stated that Platinum has been a long time vender of election equipment for the county with a good history of no major defaults. Mr. Bennett then explained that Platinum offers two services that the county is under contract with them for. First is the election software program that manages all the earlier voting, voter registration, grace voting, vote by mail, election judge training and all of the state electronic voter registration for the state board of elections that are now done online through the DMV when new licenses are issued. The seconded service they offer is the election service contract where they print all the ballots, voter check-in books, service all the election equipment, tabulate the election results and post the unofficial results.

Mr. Bennett then explained that our current election equipment is over twenty years old, obsolete, out of date and no parts are available for replacement to the equipment. Mr. Bennett explained that while his company examined and inspected the equipment before the 2018 General Election, they were unsure if the current equipment would even run the election. Another issue is the current software for the election tabulation. The software is run off the Windows XP, which is no longer supported by Microsoft.

Then Mr. Bennett went on to explain how the process of the new system of voting would work. He explained that a lot would still be the same and the voters wouldn't notice much of a difference. He also urged that paper ballots are still important and will be used for the new systems offered. One of the new services offered for the optical scanner is that it actually scans the ballot front and back instead of reading the X and Y coordinates. The touch screen also allows the machine to let the voter know that the vote has been received and lets the voter know that if they made an error on the ballot. It also communicates easier with the election judges for opening and closing the polling place.

Another piece of equipment that is improved is the ADA touch screen machines that are used for voters that handicapped. The new ADA machine is touch screen and is just a "marking devise" that doesn't count votes or store votes casted. It stores all the different ballots needed for the election in it and gives back the ballot to the voter marked so they can check it before the ballot is dropped in the ballot box and counted and scanned. Mr. Bennett went on explaining that the voter experience will be no different for the voters and will be the same process. The hardware is made by ES&S out of Omaha, NE and they have 54% of the market in voting machine and hardware in the United States.

Mr. Lance Meisenheimer, Union County Clerk, asked Mr. Bennett to explain the differences in the memory cards used now compared to the new systems. Currently used is an obsolete memory card that is no longer made. They have history of failing and Mr. Bennett has given what he has left of those types of memory cards to Union County to help make it through the last election. The new system uses USB cards that are inexpensive and can be bought anywhere if one quit working.

Mr. Meisenheimer expressed that “Cyber Security” is now a big issue with elections and Platinum offers very safe products from their hardware to software. Mr. Meisenheimer explained that he and the IT Company, Mayer Networks, had met with a group for the State Board of Elections Cyber Security team and did a risk assessment meeting with them to find out how the county looks. Mr. Meisenheimer stated that the assessment seemed to go well but is sure that some improvements will need to be made. The final report will be coming in a few months and Mr. Meisenheimer will share with the board of the findings.

Mr. Miller asked if the new systems can be purchased in steps and Mr. Bennett explained that the State Board of Elections will not allow the mixing of equipment. Mr. Bennett explained that one of the cost saving measures used is to combine polling places. Another possibility for saving on cost is to finance the equipment. They offer 5 years at 3.99%, and the possibilities of grants in the future for election equipment looks very possible and it could be used to pay the remaining balance on the new equipment. Mr. Bennett then went over the estimate line by line explaining what each item was and some of the costs that are already being paid by the county while under contract with Platinum.

VIII. Executive Session

None

IX. Committee Reports

Mr. Miller reported that Animal Control is \$1500.00 short of their goal for a new truck but donations are still coming in and they feel like they’ll reach their goal soon.

X. Other Business

None

XI. Public Comments

Mrs. Shari Sweeney-Sadowski wanted to make sure if the county is to consolidate polling places that the county consider the distances of some of the polling places and how far some voters must travel on Election Day. Mr. Miller and Mr. Meisenheimer advised that it definitely would be considered and research would be used before any changes. Mr. Bennett advised that there are statutorily requirements that must be used as well.

XII. Adjournment

Mr. Miller made a motion to adjourn the meeting and Mr. Pitts seconded the motion.

Kent Pitts	Yes
Bobby Toler Jr.	Yes

Dale Foster Absent
Max Miller Yes
David Gould Absent
Motion Passed

Meeting Adjourned at 10:29am



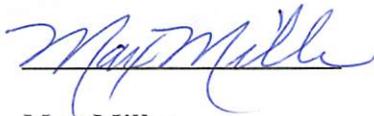
Bobby Toler Jr



David Gould



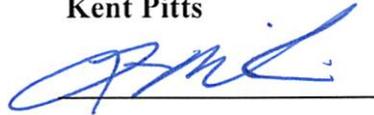
Kent Pitts



Max Miller



Dale Foster



Lance Meisenheimer